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TAGS: PREL ETRD BU US
SUBJECT: MEETING OF ASSISTANT SECRETARY BURT WITH
BULGARIAN FOREIGN TRADE MINISTER KHRISTOV

1. SUMMARY: FOREIGN TRADE MINISTER KHRISTOV SPOKE
POSITIVELY ABOUT PROSPECTS FOR US-BULGARIAN TRADE
DURING A CORDIAL MEETING FEBRUARY 23 WITH ASSISTANT
SECRETARY BURT. HE ALSO ALLUDED TO NON-ECONOMIC
FACTORS THAT INFLUENCE THE PRESENT LEVEL OF TRADE,
I.E. COCOM AND HIGH EXPORT CREDIT INTREST RATES.
HE POINTED TO FOOD PROCESSING, CHEMICALS, METALLURGY
AND INDUSTRIAL AUTOMATION AS AREAS OF GOB INTREST.
HE PROMISED COOPERATION IN CONNECTION WITH THE
FORTHCOMING BUSINESS ROUNDTABLE. ASST SECY BURT
EXPLAINED USG REASONS FOR STRENGTHENED TRADE CONTROLS,
WHILE OPPOSING PROTECTIONISM. TERMING DECLINING U.S.
EXPORT TO BULGARIA AS DISAPPOINTING, BURT EXPRESSED
SUPPORT FOR THE BUSINESS ROUNDTABLE AND EXPANSION OF TRADE IN
NON-SENSITIVE AREAS. HE WARNED KHRISTOV THAT OVERALL
POLITICAL RELATIONSHIPS WOULD INFLUENCE TRADE. END
SUMMARY.

2. ASSISTANT SECRETARY RICHARD BURT MET WITH FOREIGN
TRADE MINISTER KHRISTO KHRISTOV FEBRUARY 23, 1984. BURT
WAS APCOMPANIED BY AMBASSADOR BARRY, DAS MARK PALMER,
EUR/EEY DEPUTY DIRECTOR ROLAND KUCHEL, AND ECONOFF
BULTER. KHRISTOV WAS ACCOMPANIED BY YOVCHO RUSEV, DIRECTOR
GENERAL FOR TRADE WITH CAPITALIST COUNTRIES, AND NIKOLAI
STEFANOV, DIRECTOR FOR TRADE WITH OVERSEAS COUNTRIES.

3. ALTHOUGH KHRISTOV ALLUDED TO NON-ECONOMIC FACTORS IN THE
CURRENT LOW LEVEL OF TRADE WITH THE U.S., HE SPOKE POSI-
TIVELY ABOUT POSSIBILITIES FOR EXPANDED COOPERATION WITH
U.S. COMAPNIES. HE SPECIFIED THE FOOD PROCESSING, METAL-
LURGICAL, CHEMICALS AND INDUSTRIAL AUTOMATION AS PRINCIPAL
AREAS OF INTREST TO THE BULGARINS. HE RECALLED CHEMICAL
INDUSTRY MINISTER RANKOV'S VISIT TO THE U.S. AS AN
EXAMPLE OF PROGRESS ALREADY BEING MADE. HE SAID THAT THE

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VISIT OF CODEL GIBBONS HAD GIVEN, AND THE BURT VISIT WOULD
GIVE, IMPETUS TO EXPANDING RELATIONS.

4. KHRISTOV THEN COMPLAINED MILDLY ABOUT THE GROWING COCOM
LIST. IN A REFERENCE TO THE KOSTADINOV CASE, HE JOKED
THAT COMMODITIES COULD NOT BE PUT IN JAIL, ALTHOUGH
QEOPLE COULD. HE ALSO COMPLAINED ABOUT OECD EXPORT
CREDIT CONSENSUS INTREST RATES, AND SAID THAT THE U.S.
LOST SOYBEAN SALES TO BRAZIL BECAUSE OF NON-AVAILABILITY
OF CREDITS. HE SUGGESTED THAT BOTH THE COCOM LIST AND
THE LEGAL FRAMEWORK (MFN) COULD BE CHANGED
WITH THE RIGHT POLITICAL ENVIRONMENT.

5. KHRISTOV PUT A PLUG IN FOR THE FORTHCOMING
US-BULGARIAN BUSINESS ROWNDTABLE, PROMISING PRAGMATIC
INDIVIDUAL PROGRAMS FOR PARTICIPANTS. REMINISCING OF
HIS DAYS AS THE FIRST BULGARIAN CO-CHAIRMAN OF THE BUL-
GARIAN-AMERICAN ECONOMIC COUNCIL (NOW DEFUNCT), HE
APPEALED FOR THE ORGANIZATION'S RESSURRECTION AS A
NECESSARY CHANNEL IN BILATERAL RELATIONS.

6. ASSISTANT SECRETARY BURT EXPLAINED THE ADMINISTRATION'S
POSITION ON THE NEED FOR STRENGTHENED TRADE CONTROLS TO
PREVENT DIVERSION OF SENSITIVE TECHNOLOGY TO THE SOVIETS.
HE ALSO STRESSED PRESIDENT REAGAN'S COMMITMENT TO FREE
TRADE IN THE FACE OF DOMESTIC PRESSURES.

7. TURNING TO BILATERAL ECONOMIC RELATIONS, HE EXPRESSED
SUPPORT FOR EXPANDING TRADE IN NON-SENSITIVE AREAS.
TERMING THE 40 PERCENT FALL IN U.S. EXPORTS TO BULGARIA
LAST YEAR DISAPPOINTING, BURT CALLED ON KHRISTOV TO
PROVIDE THE EMBASSY WITH THE NECESSARY SPECIFICS TO AID
IN THE ORGANIZATION OF THE LUSINESS ROUNDTABLE. HE CON-
CLUDED THAT WHILE THERE ARE OPPORTUNITIES IN BILATERAL
TRADE, ECONOMIC RELATIONS ARE NOT IN A VACUUM. THE
BILATERAL AND GENERAL INTERNATIONAL POLITICAL ENVIRON-
MENT WILL INFLUENCE TRDA DEVEOOPMENT. PROGRESS IN
SOME AREAS WILL LEAD TO PROGRESS IN OTHERS.

8. COMMENT: KHRISTOV TOOK AN UPBEAT LINE ON BILATERAL RADE,
REPEATING THE BULGARIAN LINE THAT THEY WERE NOT APPLYING
POLITICAL LINKAGE TO THE ECONOMIC RELATIONS WITH THE U.S.
BARRY
END OF MESSAGE   CONFIDENTIAL

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